

Citizen Policy Trade Commission
Summary of Public Hearing Testimony
April 19, 2005
University of Southern Maine
Portland

I. TESTIMONY BY TOPIC

Democracy Issues

- Trade deals which undermine democratic institutions via secret dispute resolution tribunals or other mechanisms should be rejected
- Current model for passage of trade agreements is deeply undemocratic; “fast-track” authority places total power in the hands of a few trade bureaucrats
- NAFTA gives corporations the right to challenge our laws in secret tribunals and to demand compensation from the government; NAFTA’s investment chapter is flawed and multinational corporations have exploited these flaws to challenge legitimate government regulations designed to protect the environment, shield consumers from fraud and safeguard public health
- AFL-CIO strenuously objects to the inclusion of investment measures modeled on NAFTA Chapter 11 in a trade agreement with Central America; an agreement with Central America should contain broad carve-outs allowing governments to regulate corporate behavior to protect the public interest; a trade agreement should rely on government-to-government rather than investor-to-state dispute resolution

Maine Jobs/Economy

- America should not export its jobs, skills and knowledge at the expense of the American worker; Maine is an example of NAFTA’s effects: Bass Shoe, Dexter Shoe, Eastland Shoe, Wilner Wood, Hathaway shirts are all victims of trade agreements
- Loss of manufacturing jobs in Maine that pay a living wage with benefits is a predictor of the future for all and not a temporary shift in our region’s economy
- Break up large retailers; the small independent retailer must be revitalized; limit large retailers to one store per Congressional district

Labor Issues

- National and multi-national corporations have zero consideration for human rights, the rights of workers to organize or for the environment; trade agreements should not go forward unless they are reprioritized
- Commercial rights have more power than labor rights under CAFTA
- CAFTA and NAFTA brought more poverty to the poorest workers in the world; factory owners in foreign lands are pushed into paying ever-lower wages to workers by the CEO’s of huge American businesses that want “Deals” on cheaper products
- Markets are not ends in themselves, but tools to be employed for the benefit of the people; no one opposes trade, but markets without morals – without some socially-determined element of fairness – are prescriptions for disaster
- Trade agreements have lowered the wages of workers both in America and abroad
- Workers in Central America have too often been excluded from the benefits of increased trade in the region, as they continue to have their basic human rights respected in the workplace; not one Central American country included in CAFTA comes close to meeting a minimum threshold of respect for the ILO’s core labor standards

- NAFTA and CAFTA make no provisions for the welfare of workers; we must protect the laws we have in effect for the protection of workers, and make sure that no outside organization is empowered to remove these carefully considered provisions in our legal system
- We must find a way to use our labor force in the U.S. and maintain a manufacturing base here; we must challenge corporations to find ways to remain competitive here, prior to exploiting labor forces in other countries that have no laws to protect them
- Corporations should be watch dogged and held accountable to treat all labor forces with respect and dignity and compensate them a fair wage and benefit
- Globalization and free trade as they are currently structured will not increase manufacturing jobs or jobs in general
- Under NAFTA, women in both North and South America have lost jobs, benefits and safe working conditions
- Every agreement at the international and federal levels has a human cost, corporations should not have the power to supersede the laws we make in Maine nor should they control our state's economic well-being
- United States should not be allowed to run a trade deficit

Healthcare/Pharmaceuticals

- Free trade agreements conflict with public health policies, especially those having to do with health care reform; domestic laws that restrict markets for health services, no less than for other commodities, are seen as barriers to trade
- NAFTA and CAFTA contain provisions that allow multinational corporations to sue a government for takings of their profits; this provision can have impacts on environmental laws, working conditions, public welfare and health care; Maine's RX program and Dirigo Health program could be at risk

Libraries

- Impact of international treaties, such as the TRIPS, on public libraries; need to be extremely wary that treaties governing the commercial exchange of intellectual property do not impinge on our democratic access to information and do not thwart the ability of public libraries to provide the citizens in Maine and elsewhere unfettered, free access to information that is so critical to safeguard and revitalize democracy itself
- Public libraries may be subject to the same market access rules as private sector businesses under trade agreements (libraries should not be considered key players in our economic system and should not be subject to market access, national treatment and most-favored nation rules)

CAFTA/NAFTA

- CAFTA/NAFTA are trade agreements that are not carried out in the best interests of all; the only people who benefit are corporate CEOs
- CAFTA is not about free trade; agreements like CAFTA turn people into sharecroppers for the global corporate elite
- Trade deals lacking adequate provisions for labor, the environment and public health should be rejected
- CAFTA will be used as a smokescreen to reward other countries at the expense of the American workforce
- CAFTA is not beneficial to anyone except the already super rich
- Free trade agreements of the last decade have been sold as a panacea, but in reality they have been an agent of destruction for societies in all corners of the World
- Free trade policies promote the conditions of war

- Current model of free trade agreements limits public investment in social programs including education, health care and environmental protection, while placing no limits on military budgets
- The introduction of free trade policies in many countries has resulted in widespread popular unrest which has been targeted by police and military crackdowns
- We need trade agreements that start with human values- dignity of persons, primacy of the common good, safeguarding the environment, agreements win which our government upholds those values, not another agreement that serves only the greedy
- NAFTA has been nothing but a disaster for Maine, costing the people of Maine nearly 24,000 high paying manufacturing jobs in the past 10 years

Environment

- Free trade rules make it easy for the U.S. companies to export hazardous pesticides
- Trade agreement rules may apply to water, including municipal water treatment and wastewater treatment and water investments such as the State of Maine's agreement with Poland Springs
- A state has no authority to alter the rights of foreign investors under international law, either by law, regulation or contract (in reference to the State of Maine's agreement with Poland Spring Water)

Gambling

- As a result of actions taken by the federal government during GATS negotiations, Maine and other state legislatures must now contend with the prospect that tough market access rules in international trade agreements will be applied to their gambling laws and practices, without their consent

Agriculture

- CAFTA could devastate small farmers in both the U.S. and Central America; elimination of an effective price floor would force down market prices, allowing corporate agribusinesses to sell their products at well below cost

II. REQUESTS MADE OF COMMISSION BY SPEAKERS

Gambling

- All members of the Commission and the Legislature should examine the GATS Article XVI Market Access rules and seek legal guidance to begin to understand their significance in relation to our state laws on gambling
- Determine what steps the U.S. Administration can take to ensure that the prerogative of the State of Maine to regulate gambling remains unfettered by the GATS and any other international treaty; what concrete steps can the federal government now take to undo or mitigate the damage it has caused?

CAFTA/NAFTA

- Make a formal recommendation to Maine's Congressional Delegation to vote NO on CAFTA

Healthcare

- Assess in greater detail the risks of international trade treaties affecting democratic control over water in Maine
- Investigate how the State could minimize its exposure to these risks in its day-to-day practices (i.e. caps on water extractions, shorter water license terms)
- Look into the methods for excluding local and State measures relating to water from the terms of international trade treaties

Libraries

- Commission should review the book by Ruth Rikowski, “Globalization, Information and Libraries: The Implications of the World Trade Organization’s GATS and TRIPS Agreements” and seek out other information related to the impact of international treaties on Maine libraries and information services
- Guarantee Maine citizens that our public library and information services are protected from CAFTA, GATS, NAFTA and TRIPS

Other

- Maine Citizens Trade Policy Commission should consider adopting benchmark criteria for what constitutes a good trade agreement
- Ascertain if the federal government has rendered existing Maine state measures in service sectors other than gambling vulnerable to the GATS challenge
- Ask USTR to notify the WTO that the U.S. will not give its consent to new GATS restrictions on domestic regulation and wants an end to the GATS negotiations devoted to creating new restrictions on domestic regulation

III. RECOMMENDATIONS FOR IMPROVING TRADE AGREEMENTS

Democracy /Federalism Issues

- Negotiations of international trade agreements should be public information
- Citizens should be given the opportunity to provide input on trade agreements during negotiation
- Trade agreements should not grant transnational firms privileges that exceed national laws, including the power to challenge national laws that protect the public interest in secret tribunals
- Affected citizens must have the right to participate in all dispute resolution procedures between their government and foreign investors
- The process leading to a trade agreement must be widely publicized and must incorporate the real and effective participation of social actors during the negotiations, approval and subsequent evaluation and follow-up

Procurement

- Maine should not bind itself to government procurement rules of CAFTA
- Trade agreements should not ban the use of government procurement policies to pursue legitimate social goals; trade agreements should not restrict the right of governments to legitimately regulate private services to protect the people’s interests

Labor / Economic Development

- Trade agreements should incorporate a gender analysis; look to see whether women are impacted differently than men, if women and children are affected positively by the agreement and assure that women re workers are active in helping shape trade agreements as well as workplace policies and practices
- An economic integration agreement must require the participating countries to commit themselves to the effective application of their Constitutional norms and their own labor laws and to comply with the basic standards established in the Declaration of Fundamental Principles and Rights at Work and the ILO Conventions ratified by member countries
- Trade agreements must include compensatory measures for displacements of production and labor resulting from the restructuring of production linked to market opening
- Trade agreements must include measures designed to relieve debts of Central American countries, establish an international arbitration mechanism for debt reduction and allow governments to establish controls on capital flows designed to avoid or alleviate situations of financial crisis

Agriculture

- Trade treaties should protect the rights of small farmers and landless rural workers; subsidies of farm products should be limited and designed for the protection of small and medium producers and not for the benefit of large agricultural exporters

Healthcare/ Pharmaceuticals

- Make sure that trade agreements don't interfere with:
 - drug re-importation policies
 - Dirigo Health Plan
 - Maine RX

General Suggestions

- Vote against CAFTA
- Repeal NAFTA